

Hidden Splendor Resources
Horizon Mine
3266 South 125 West, Price, Utah 84501
Phone: (435) 636-0820 – Fax: (435) 636-0817

C/007/020 Incoming
CC: Dana
Jim
James
Kevin
Ingrid
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DEC 30 2010

DIV. OF OIL, GAS & MINING

December 23, 2010

Mr. Daron Haddock
Permit Supervisor
Utah Coal Program
Utah Division of Oil, Gas and Mining
1594 West North Temple – Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

Re: Beaver Creek Protection and Enhancement Plan and Raptor Survey Requirements, Task ID #3666,
Hidden Splendor Resources, Inc., Horizon Mine, C/007/0020

Dear Mr. Haddock:

This letter is in response to your December 1, 2010 denial letter. We regret that the Division feels that Hidden Splendor Resources (HSR) has not been trying to cooperate with them, when we have been trying to comply with the rules, and to update our currently approved MRP to reflect the actual mining plan, but have been prevented from doing so by the Division.

The text changes included in the June 2010 submittal, and the map included in both the June and subsequent October submittals clearly show that the amount of overburden present in all areas of Beaver Creek included in the mine plan area acts as a protection to the creek, and prevents any impacts to it from second mining.

Furthermore, the text and map that we are trying to include are comparable to other approved MRP's where the amount of overburden is used for protection of a perennial stream. HSR contends that this constitutes a "technical demonstration" that the stream will be protected. Hidden Splendor Resources takes issue with the fact that the Division is requiring additional regulations and burdens beyond what is required by both State and Federal law and statutes.

We would remind the Division that it is illegal to require anything beyond what is required in statute, and that it is also illegal to impose penalties for not complying with any requests for actions beyond what is required by statute.

In light of the fact that the Division and Hidden Splendor Resources cannot come to an agreement on the required resolution of these deficiencies, we feel that the only course of action left is to schedule a meeting with John Baza and Division staff to work towards the resolution of this matter.

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I would suggest we schedule a meeting with you and members of your staff to see if this matter can be resolved amicably and reasonably prior to taking this matter to the next level.

If you have any questions or comments, please feel free to contact me at 435-636-0820.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kit Pappas", written in a cursive style.

Kit Pappas
Manager of Environmental and Engineering Services